

City of Austin

Economic Outlook & Financial Forecast Presentations

Austin Energy
Public Budget Meeting
Electric Utility Commission

May 21, 2012



FY 2013 Budget Process

Ongoing commitment to transparency and stakeholder engagement.

- Detailed reports published early in the process
 - citizen survey – October 2011
 - horizon issues update – March 2012
 - annual performance report and city dashboard – March 2012
 - unmet service demands report – April 2012
 - menu of potential budget reductions – May 2012
 - report on outcomes of community engagement – June 2012
 - proposed budget document – August 2012
 - all reports available at www.austintexas.gov/finance
- 33-hours scheduled for Council discussion and input
 - city council policy retreat – Feb 29
 - financial forecast work sessions – April 18, May 2, 9
 - proposed budget work sessions – August 1, 15, 22



FY 2013 Budget Process

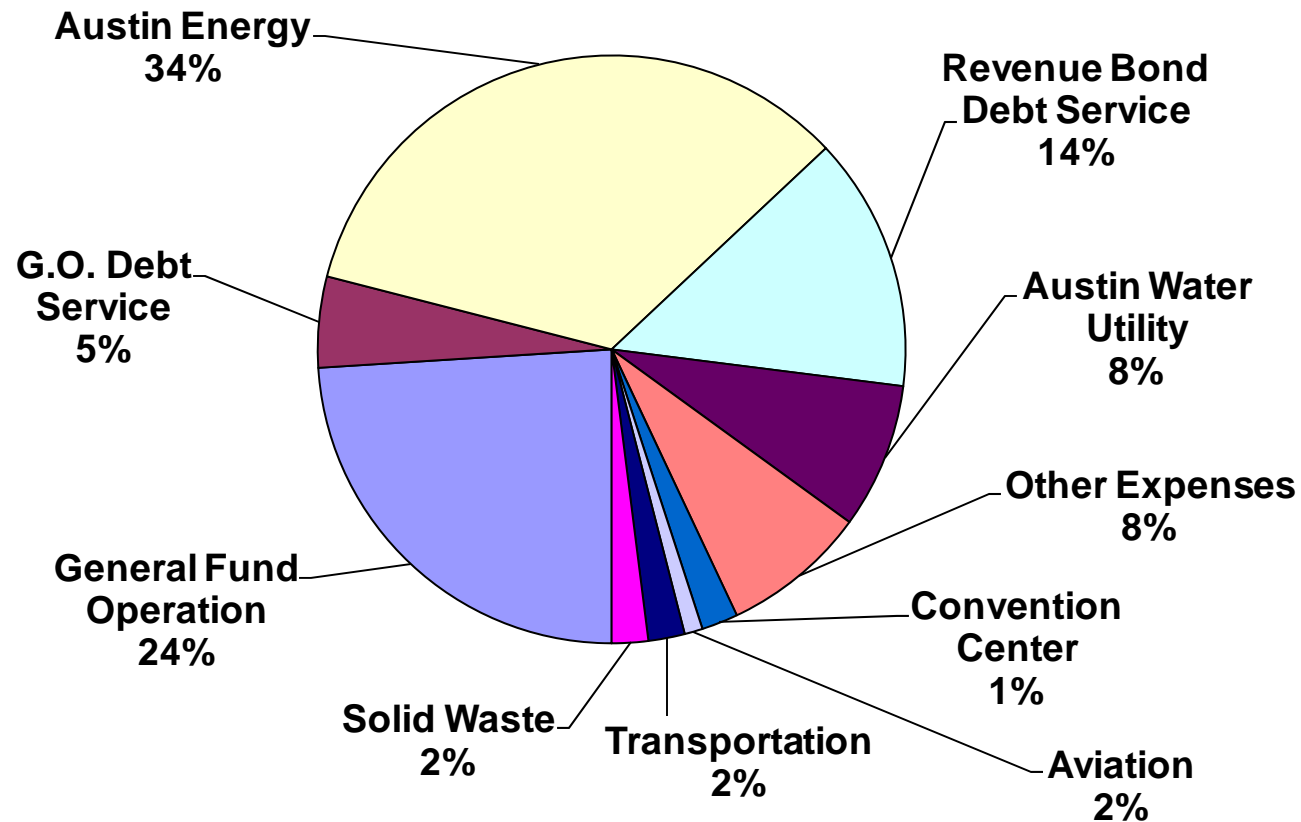
Ongoing commitment to transparency and stakeholder engagement.

- Multiple opportunities for public involvement
 - 15 public budget meetings – May and June
 - public hearings on budget, tax rate, and utility rates – August 23, 30
 - online speakupaustin! community forum for ranking of unmet needs and potential cuts
 - new online budget priority setting application
 - new online public question and answer process
 - www.austintexas.gov/finance
- Goal is an inclusive, transparent and data-driven approach to making budget recommendations



All Funds Budget

All City Funds Approved Uses of Funds FY 2011-12
(\$2.8 billion)





Expenditure Assumptions

- Funding for all currently authorized FTEs
 - personnel costs have been reduced to reflect anticipated vacancy savings resulting from normal attrition
- Annualized cost of positions added in FY 2012
- Employee wage increases
 - 3.0% annually for sworn police, fire, and EMS employees
 - 3.0% annually for civilian employees
- Funding for employee retirement systems
 - 1% increase in 2013 for sworn police
 - 1% increase in 2013 for sworn fire; additional 1% September 2013
 - 2% increase in 2013 for civilian employees; final year of planned incremental increases



Expenditure Assumptions

- Annualized cost for markets implemented in April 2012 for civilian employees
- Increases in City health insurance costs
 - 7% in FY 2013; 10% in FYs 2014-2017
- Continuation of Council staffing guidelines
 - 2.0 officers per 1,000 (22 officers in FY 2013)
 - 4-person staffing (4 fire fighters in FY 2013)
- Staffing increases related to annexations, new facilities, growing service territory and infrastructure
 - total of 106 new positions in FY 2013
- Inflationary increases for fuel and other commodities



Forecast Budget Increases by Fund

	2012 Amended Budget (millions)	2013 Preliminary Forecast (millions)	Change (millions)	New Positions
General Fund	692.8	738.5	45.7	40
Austin Water Utility	465.9	513.6	47.7	26
Austin Energy	1,217.0	1,241.3	24.3	0
Austin Resource Recovery	74.6	81.5	6.9	10
Aviation	98.1	103.3	5.2	0
Watershed Protection	63.9	68.9	5.0	0
Convention Center	54.5	59.5	5.0	0
Transportation Fund	61.1	61.7	0.6	11
Other	66.7	73.8	7.1	19
Total	\$2,794.6	\$2,942.1	\$147.5	106



Major Rate & Fee Changes

Estimated fiscal impact of proposed rate and fee changes on “typical” residential rate payer:

	2012 Monthly Rate	2013 Projected Rate	Monthly Dollar Change	Typical rate payer defined as:
Austin Energy	\$91.62	\$96.83	\$5.21	<i>Based on average monthly residential customer usage of 1,000 Kwh</i>
Austin Water Utility	\$72.67	\$76.97	\$4.30	<i>The monthly average usage for a residential customer is 7,727 gallons of water and 4,699 gallons of wastewater</i>
Austin Resource Recovery	\$18.75	\$20.52	\$1.77	<i>A typical ARR residential customer uses a 64 gallon cart.</i>
Transportation User Fee	\$7.29	\$8.02	\$0.73	<i>per single-family home</i>
Drainage Utility Fee	\$7.75	\$8.35	\$0.60	<i>per single-family home</i>
Clean Community Fee	\$5.00	\$6.10	\$1.10	<i>per single-family home</i>
Property Tax Bill	\$73.06	\$75.85	\$2.79	<i>median priced home of \$182,228</i>
Total	\$276.14	\$292.64	\$16.50	average projected increase of 6.0%



Budget Timeline & Next Steps

Feb 29	Council Retreat
April 18, May 2, 9	Department Forecast Presentations
May 18	Publication of Revised Menu of Potential Budget Reductions
May - June	Public Engagement and Budget Development
August 1	Proposed Budget Presented to City Council
August 15, 22	Budget Work Sessions
August 23, 30	Budget, Tax Rate and Utility Rate Public Hearings
September 10-12	Adoption of Budget & Tax Rate



Questions / Comments

more information available at:

www.austintexas.gov/finance